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## **Congress' Official Estimators Hammer Clinton Budget**

### **It's Official: Clinton Budget Raids Social Security and Reduces Debt Less Than Doing Nothing Would**

Yesterday the Congressional Budget Office (CBO) released its preliminary reestimate of the White House budget. This follows the Joint Committee on Taxation's (JCT) reestimate of the Clinton White House's tax provisions last week. Together, CBO and JCT are Congress' official estimators — nonpartisan entities that Clinton himself promised to use when he first took office back in 1993.

President Clinton has promised to protect Social Security, to reduce the debt to the maximum extent possible, to control spending, and reduce taxes. But, Congress' official estimators show that on all four counts, the President's budget fails. Instead, *Clinton's budget raids the Social Security trust fund for \$158 billion in five years, it artificially erases the surplus, it lowers the public debt less than doing nothing would, it increases spending, and it raises taxes by \$89.7 billion over the 1999-2009 period.*

**Clinton Raids Social Security:** According to CBO, Clinton spends \$40 billion of the Social Security surplus in his budget's first year (2000) and \$158 billion over the first five years (2000-2004).

- This is the same Social Security surplus that he has promised to save in its entirety.

**Clinton Reduces the Surplus:** According to CBO, Clinton's budget actually reduces the overall surplus by \$436 billion from 2000-2004 and by \$1.168 trillion from 2000-2009.

- That means less debt reduction than doing nothing.
- Even without the effects of Clinton's phony Social Security transfer scheme [see RPC paper, "Clinton's Latest Budget: Honestly Phony," 2/1/99], Clinton's budget actually reduces the on-budget (non-Social Security) surplus by \$73 billion from 2000-2004 and by \$92 billion from 2000-2009.
- Because he's reduced the surplus, Clinton wipes out completely what would have been an on-budget (i.e., without Social Security) surplus beginning in 2001 of \$11 billion and \$829 billion from 2001-2009.

- That is \$829 billion in general revenue surplus that should have been returned to the taxpayers.

**Clinton Reduces the Public Debt Less Than Doing Nothing:** According to CBO, Clinton's budget actually reduces the public debt less than doing nothing would — less by \$432 billion over five years, and less by \$1.155 trillion over ten years. The public debt stands at \$3.628 trillion in 1999.

- Public debt would stand at \$3.189 trillion in 2004 under Clinton's budget — however without the Clinton budget it would stand at \$2.756 trillion, according to CBO.
- Public debt would stand at \$2.324 trillion in 2009 under Clinton — however without the Clinton budget it would stand at \$1.168 trillion, according to CBO.
- Instead of reducing the public debt by two-thirds as would occur without the Clinton budget, Clinton would reduce it roughly half as much — by just over one-third.

**Clinton on Spending . . . and spending and spending and spending:** According to CBO, even without Clinton's Social Security proposal, his budget will raid the surplus to pay for new and increased spending to the tune of \$31 billion in 2000, \$125 billion from 2000-2004, and \$188 billion from 2000-2009.

- As a result, Clinton breaks the agreed-on budget caps by \$30 billion in 2000, according to CBO's estimate.

**Clinton on Taxes . . . and taxing and taxing and taxing:** According to JCT, the Clinton Administration is nonetheless requesting gross tax and revenue increases of \$80 billion from 1999-2004 and \$165.1 billion from 1999-2009.

- Even after deducting Clinton's paltry tax cut proposals, JCT estimates that the Clinton budget contains net tax and revenue increases of \$49.7 billion from 1999-2004 and \$89.7 billion from 1999-2009.
- This fits Clinton's pattern of behavior: *he's never proposed a net tax cut since becoming President, and he is not proposing one this time* — despite having projections of the largest budget surpluses in U.S. history.
- Furthermore — by artificially creating an on-budget deficit (in the non-Social Security portion of the federal budget) — Clinton would preclude a tax cut, not just for the remainder of his term, but for as far as the eye can see.

In short, Clinton raids Social Security, he artificially erases the budget surplus, he reduces the debt less than doing nothing would, he increases spending, he fails to adhere to the agreed-to spending caps, and he increases taxes. And this despite the emergence of a record-breaking surplus.

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